

Table 18. National Commitment to Provide Competitive Residential Local Service

| Company | Residential Commitment |
|---------------|--|
| SBC/Ameritech | <ul style="list-style-type: none"> Plans to provide residential service to 30 major out-of-region markets by 2003. |
| AT&T/TCG/TCI | <ul style="list-style-type: none"> The partnership between AT&T and TCG is "primarily focused on the business market."¹ Recently announced plans to first target local service for big business, then small-to-medium sized businesses, then multiple-dwelling units; has expanded local call access for business in four states.² Its acquisition of TCI may make AT&T a more viable residential competitor but it is not yet clear what services the new company will offer. |
| MCI/WorldCom | <ul style="list-style-type: none"> Although MCI maintains its existing residential service, it now "is focusing its efforts mainly on downtown, high-end customers."³ "WorldCom's stated strategy is to become a premier provider of the full array of communications services to business, government, and eventually residential end-users."⁴ |
| Sprint | <ul style="list-style-type: none"> Sprint plans to offer bundled voice and data service via resale to residents by late-1999, but "the primary residential users will be those who already spend heavily on communications."⁵ |
| Bell Atlantic | <ul style="list-style-type: none"> Plans center on providing competitive service to independent territory in in-region states |
| GTE | <ul style="list-style-type: none"> "GTE says it will first aim for small businesses with one to 50 employees and 'high-end' residential customers..."⁶ |
| BellSouth | <ul style="list-style-type: none"> Does not offer out-of-region residential wireline service (competes with GTE in-region). |
| U S West | <ul style="list-style-type: none"> U S West is splitting from its MediaOne affiliate, which provides residential service in Atlanta and Los Angeles. U S West still has CLEC approval in 27 states. |
| Time Warner | <ul style="list-style-type: none"> "Even though Time Warner pegged itself as a company that would bring competition to the residential telephone market locally, it announced plans in 1996 to indefinitely postpone such ambitions."⁷ |
| Other CLECs | <ul style="list-style-type: none"> Most CLECs focus on business customers' data and voice needs. "To date, the facilities-based model created by the early competitive local exchange carriers (CLECs) has primarily targeted business customers."⁸ "Intermedia's customers include a broad range of business and government end users and IXCs."⁹ "Neither NEXTLINK nor ICG is targeting the local residential market..."¹⁰ Some cable-based and smaller CLECs are targeting high-end business customers. "Cedar Rapids, Iowa-based McLeodUSA also is going after small business, but it is one of the very few companies to pursue residential business as well;"¹¹ McLeod traditionally has "been focused on business users."¹² "[e.spire]... [is] one of the few companies that has been competing with BellSouth in Georgia for residential customers using local service;"¹³ nevertheless, "[t]he company's focus will be the business market, not residential customers..."¹⁴ |

¹Z. Schiller, *TCG Begins Phone Service For Cleveland Business Customers*, The Plain Dealer, Jan. 13, 1998, at 10C (quoting AT&T Chairman C. Michael Armstrong). ²J. Keller, *AT&T Network Allows Access to Local Calls*, Wall Street Journal, June 9, 1998, at B25. ³M. Rockwell, *Local Services Competition Isn't Hitting Home - AT&T's Acquisition of Teleport Reinforces Shift Towards Corporate Customers*, Internet Week, Feb. 2, 1998, at T13. ⁴New Paradigm Resources Group and Connecticut Research, *The 1998 CLEC Report: Annual Report on Local Telecommunications Competition*, at MFS-WorldCom - 2 (1998) ("Connecticut Research") (emphasis added). ⁵E. Glanton, *Sprint Plans Landmark Upgrade*, Yahoo! News, Jun. 2, 1998. ⁶J. Bounds, *GTE Prepares to Invade Local Access Service Turf*, Dallas Business Journal, Oct. 17, 1997, at 24 ("We think that across America, in this category, these customers are underserved," said Rick Crain, vice president of product development and marketing). ⁷R. Sekhri, *Time Warner Network May Carry Digital TV, Internet Local Upgrade Unlikely to Include Phone Service*, Cincinnati Business Courier, Mar. 20, 1998, at 6. ⁸M. Rockwell, *Local Services Competition Isn't Hitting Home - AT&T's Acquisition of Teleport Reinforces Shift Towards Corporate Customers*, Internet Week, Feb. 2, 1998, at T13. ⁹Connecticut Research at Intermedia - 2. ¹⁰J. Clary, *Fresh Face May Help BellSouth Dial Long Distance*, Nashville Business Journal, Apr. 14, 1997, at 1. ¹¹A. Scmitt, *Calling All Companies Local Phone Companies are Ready to Woo Customers in Business Arena*, Chicago Daily Herald, Feb. 5, 1998, at 1. ¹²E. Mooney, *McLeod Plans Notes Sale to Fund Network Bailout*, Radio Comm. Report, July 21, 1997, at 41. ¹³M. Kannell, *Today's Topic: Technology*, Atlanta Constitution, Jan. 14, 1998, at 02B. ¹⁴S. Schafer, *Phone Provider Means Business*, Tulsa World, June 12, 1997, at E1.

Table 19. Facilities to Provide Competitive Local Service

| Company | Networks (Planned) | Switches ¹ (Planned) | Route ² Miles (Planned) | Comments |
|----------------------|-----------------------|------------------------------------|--|--|
| SBC/Ameritech | (30) | (63) | (3,000) | |
| AT&T/TCG/TCI | 66 (8) | 596 | 9,474 | <ul style="list-style-type: none"> TCG's networks are concentrated in downtown business areas and sometimes extend to outlying business districts. AT&T has minimal local networks, but it has equipped its 4E switches to provide Digital Link local service. TCI is currently testing digital telephony over its HFC in West Hartford, CT and Arlington Heights, IL. Its viability as a local provider is dependent upon the development of Internet Telephony. |
| MCI/WorldCom | 176 (12) | 280 | 11,261 | <ul style="list-style-type: none"> The networks of Brooks Fiber, MFS, MCI and WorldCom overlap in 29 cities. |
| Sprint | (60) | | | <ul style="list-style-type: none"> Sprint will build its own broadband networks in 36 major markets in 1998 and 24 additional markets in 1999. These networks will allow Sprint ION to pass 70 percent of all large businesses nationwide. To serve small business and residential customers who may not have access to these networks, Sprint will lease broadband facilities, such as DSL, from other carriers.³ |
| Bell Atlantic | 0 (0) | 0 | 0 | <ul style="list-style-type: none"> Bell Atlantic has no public plans to offer competitive facilities-based local service out-of-region. |
| GTE | 2 (0) | 22 | 0 | <ul style="list-style-type: none"> GTE operates as a CLEC only in those areas where it already has extensive ILEC networks. |
| BellSouth | 0 (0) | 1 | 0 | <ul style="list-style-type: none"> BellSouth BSE, a BellSouth subsidiary established for out-of-region local services, will initially resell local exchange services to business customers. |
| U S West | 0 (0) | 0 | 0 | <ul style="list-style-type: none"> U S West has no public plans to offer competitive facilities-based local service. |
| Time Warner | 17 (2) | 22 | 5,321 (299) | |
| Intermedia | 10 (0) | 47 | 762 | <ul style="list-style-type: none"> "Instead of building costly fiber-optic networks... Intermedia focuses on switching technology."⁴ |
| ICG | 19 (0) | 51 | 3,021 (1,117) | <ul style="list-style-type: none"> ICG is partnering with utility companies to expand its networks and services. ICG's networks are deployed primarily in Western states. |
| McLeod | 8 (3) | 3 | 4,900 (2,000) ⁵ | <ul style="list-style-type: none"> McLeod has announced plans to complete 36 additional fiber rings and 2,000 more route miles in 1998.⁶ |
| GST | 36 (12) | 36 | 5,107 | |
| WinStar | 24 (6) ⁷ | 47 | n/a | <ul style="list-style-type: none"> WinStar's network consists of broadband wireless circuits on the 38 GHz frequency. |
| ELI | 5 (4) | 10 | 2,087 | <ul style="list-style-type: none"> ELI's networks are only in the western part of the United States. |
| e.spire | 32 (1) | 42 | 1,061 | <ul style="list-style-type: none"> "[e.spire] has built an intercity broadband ATM network that allows the company to provide a wide variety of voice and data communications services at a reduced cost."⁸ |
| Hyperion | 18 (3) | 29 | 4,326 | |
| NEXLINK | 15 (5) | 32 | 1,897 (237) | |
| MGC Communications | 3 (15) ⁹ | 50 | n/a | <ul style="list-style-type: none"> MGC plans to build facilities in 18 markets by the end of 1999.¹⁰ |
| Teligent | (30) ¹¹ | 26 | n/a | <ul style="list-style-type: none"> Teligent plans to provide wireless broadband services at 24 GHz.¹² |

¹All switch figures are taken from the Bellcore LERG (July 1998) database. The LERG is based on information that is provided to Bellcore by incumbent and competitive local carriers. LERG switch counts do not always agree with counts from other sources, including public statements by the carriers themselves. Some of these discrepancies are due to the blurring of definitional lines between switching entities and rate centers. The bright line that once distinguished central office switches from other switching equipment has been fading as a new generation of remote switches and remote digital terminals (RDTs) have emerged with limited switching capabilities. Data shown here include all switches designated as "local" and as "CLEC" or "CAP" in the LERG. ²All figures from New Paradigm Resources Group and Connecticut Research, *The 1998 CLEC Report: Annual Report on Local Telecommunications Competition*, 9th ed. (1998) ("Connecticut Research"), unless otherwise noted. ³Sprint Press Release, *Sprint Unveils Revolutionary Network*, June 2, 1998. ⁴R. Krause, *Switches Light Telecom Firm's Path*, Investor's Business Daily, Apr. 15, 1998 at A9. ⁵McLeod Press Release, *McLeod/USA Reports Continued Growth and Margin Improvement for First Quarter 1998*, Apr. 29, 1998. ⁶*Id.* ⁷WinStar Press Release, *WinStar Adds New CLEC Markets*, May 7, 1998. ⁸Connecticut Research, at ACS1 - 2. ⁹MGC Communications, *Furman Selt Issues "Strong Buy" Recommendation on MGC*, June 30, 1998, at <http://www.mgc.com/index-3news.html>. ¹⁰*Id.* ¹¹Teligent Inc., at <http://www.teligentinc.com/home.htm>. ¹²*Id.*

Table 20. Open Entry Policies

| Country | Local | Long Distance | International | Cellular | Cable |
|--|---|-----------------------------|---|--------------------------------------|--|
| United States | 1996 | 1978 (<u>Execunet</u>) | 1982 | Analog: duopoly Digital: open | 1992: end of exclusive franchise 1996: telcos permitted |
| Canada <i>Bell Canada privatized 1987</i> | 1994 1997: cable telephony | 1992 | U.S./Canada route open Oct. 1998: open (other traffic) | Analog: duopoly Digital: duopoly | 1995 1998: telcos permitted |
| Japan <i>NTT privatized 1985</i> | 1988 | 1987 | 1987 | Analog: open Digital: open | 1993 |
| United Kingdom <i>BT privatized 1984 (partial) to 1997 (full)</i> | 1991 1992: cable telephony | 1984: duopoly 1996: open | 1984: duopoly 1994: resale only 1996: open | Analog: open Digital: open | 1980s |
| Germany <i>DT privatized 1996</i> | 1998 | 1998 | 1998 | Analog: monopoly Digital: open | Pre-1995 |
| France <i>FT privatized 1997</i> | 1998 | 1998: open | 1998: open | Analog: duopoly Digital: open | Pre-1988 |
| Italy <i>Telecom Italia privatized 1997</i> | 1998 | 1998 | 1998 | Analog: open Digital: duopoly | 1996 ^c |
| Spain <i>Telefonica de Espana privatized 1992 (partial) to 1997 (full)</i> | Dec. 1998 | Dec. 1998 | Dec. 1998 | Analog: monopoly Digital: duopoly | 1995 ^c |
| Mexico <i>Telmex privatized 1990</i> | monopoly | 1996 | 1996 | Analog: duopoly | Pre-1988 ^c |
| Australia <i>Telstra privatized 1991</i> | 1997 | 1991: duopoly 1997: open | 1992 | Analog: monopoly Digital: duopoly | 1992 |
| New Zealand <i>TCNZ privatized 1990</i> | 1987 | 1989 | 1989 | Analog: open Digital: open | 1989 |
| Other Privatizations | Argentina: <i>Telecom Argentina</i> (1990), Barbados: <i>Barbados External Telecom</i> (1991), Belize: <i>Belize Telecom</i> (1988), Bolivia: <i>ENTEL</i> (1995), Cape Verde: <i>Cabo Verde Telecom</i> (1995), Chile: <i>ENTEL</i> (1987), Czech Republic: <i>SPT Telecom</i> (1994), Denmark: <i>TeleDanmark</i> (1994), Estonia: <i>Eesti Telfon</i> (1993), Ghana: <i>Ghana Telecom</i> (1996), Gibraltar: <i>Gibraltar NYNEX Communications</i> (1989), Greece: <i>OTE</i> (1996), Guinea: <i>SOTELGUI</i> (1996), Guinea-Bissau: <i>Guinea Telecom</i> (1989), Guyana: <i>Guyana Telecom Corp.</i> (1991), Hungary: <i>MATAV</i> (1993), Indonesia: <i>PT Indosat</i> (1994), <i>PT Telkom</i> (1995), Ireland: <i>Telecom Eireann</i> (1996), Israel: <i>Bezeq</i> (1990, 1991), Jamaica: <i>TOJ</i> (1989, 1990), Korea: <i>Korea Telecom</i> (1993, 1994, 1996), Latvia: <i>Lattelkom</i> (1994), Malaysia: <i>Telekom Malaysia</i> (1990, 1993), Mongolia: <i>Mongolian Telecom Co.</i> (1995), Netherlands: <i>KPN</i> (1994), Pakistan: <i>Pak-Telecom</i> (1994), Peru: <i>Telefonica de Peru</i> (1994, 1996), Portugal: <i>Portugal Telecom</i> (1995, 1996, 1997) (partial), Puerto Rico: <i>Telefonica Larga Distancia</i> (1992), Sao Tome: <i>CST</i> (1989), Singapore: <i>Singapore Telecom</i> (1993, 1996), Venezuela: <i>CANTV</i> (1991, 1996). | | | | |
| WTO Agreement | On February 15, 1997, 69 countries signed the WTO agreement to open their markets for all basic telecommunications services to competition from foreign-owned companies. Each participating country committed to varying foreign ownership restrictions and to a different schedule of implementation based on its current level of liberalization and infrastructure. Signatories of the WTO, in addition to those profiled in this table, include: Argentina, Chile, Hungary, Iceland, India, Indonesia, Israel, Korea, Malaysia, Norway, Pakistan, Peru, Philippines, Poland, Singapore, South Africa, Sri Lanka, Switzerland, Thailand, Turkey, and Venezuela. | | | | |

^c: estimate